



The Commonwealth of Massachusetts

DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

March 7, 2006

SECOND SET OF INFORMATION REQUESTS OF THE DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY TO BOSTON GAS COMPANY D.T.E. 05-66

Pursuant to 220 C.M.R. § 1.06 (6)(c), the Department of Telecommunications and Energy ("Department") submits to Boston Gas Company d/b/a KeySpan Energy Delivery New England ("Boston Gas" or "Company") its Second Set of Information Requests.

Instructions

The following instructions apply to this set of Information Requests and all subsequent Information Requests issued by the Department in this proceeding.

1. Each request should be answered in writing on a separate, three-hole punch page with a recitation of requests, a reference to request number, the docket number of the case and the name of the person responsible for the answer.
2. Do not wait for all answers to be completed before supplying answers. Provide the answers as they are completed.
3. These requests shall be deemed continuing so as to require further supplemental responses if the Company or any of its witnesses receives or generates additional information within the scope of these requests between the time of the original response and the close of the record in this proceeding.
4. The term "provide complete and detailed documentation" means:

Provide all data, assumptions and calculations relied upon. Provide the source of and basis for all data and assumptions employed. Include all studies, reports and planning documents from which data, estimates or assumptions were drawn and support for how the data or assumptions were used in developing the projections or estimates. Provide and explain all supporting work papers.

5. The term “document” is used in its broadest sense and includes, without limitation, writings, drawings, graphs, charts, photographs, phono-records, microfilm, microfiche, computer printouts, correspondence, handwritten notes, records or reports, bills, checks, articles from journals or other sources and other data compilations from which information can be obtained and all copies of such documents that bear notation or other markings that differentiate such copies from the original.
6. If any one of these requests is ambiguous, notify the Hearing Officer so that the request may be clarified prior to the preparation of a written response.
7. Please serve copies an original and eight (6) copies to Mary L. Cottrell, Secretary of the Department. All written documents (except those for which confidential treatment is sought) should also be submitted to the Department in electronic format using one of the following methods: (1) by e-mail attachment to dte.efiling@state.ma.us and to jeanne.voveris@state.ma.us or (2) on a 3.5" disk, IBM-compatible format. The text of the e-mail or the disk label must specify: (1) the docket number of the proceeding (D.T.E. 05-66), (2) name of the person or company submitting the filing, and (3) a brief descriptive title of the document (e.g., Response to Information Requests). The electronic filing should also include the name, title and phone number of a person to contact in the event of questions about the filing. Text responses should be created in either Corel WordPerfect, Microsoft Word, or as an Adobe-compatible PDF file. Data or spreadsheet responses should be compatible with Microsoft Excel. Documents submitted in electronic format will be posted on the Department’s Website, <http://www.mass.gov/dte>.

Requests

DTE 2-1. Refer to Page 3 of 3 of the Company’s Compliance Filing, and to Tables 1 and 2 below to answer the following questions:

Table 1: Compliance DTE 05-66 Supporting Schedule: Exogenous Cost

	Monthly Write Offs to (A)	CGA relate Bad Debt (B)	CGA Bad Revised Debt (C) = B*A	Actual Bad Debt In Reconciliation (D)	Variance (E) = C-D
Jan-04	1,482,149	64.4%	954,504	1,143,086	(188,582)
Feb-04	779,788	62.2%	485,028	733,756	(248,728)
Mar-04	829,506	62.0%	514,294	119,916	394,378
Apr-04	986,393	61.4%	605,645	119,916	485,729

May-04	1,258,249	63.7%	801,505	119,916	681,589
Jun-04	2,131,319	65.4%	1,393,883	119,916	1,273,967
Jul-04	2,852,973	66.0%	1,882,962	119,916	1,763,046
Aug-04	3,116,192	65.5%	2,041,106	119,916	1,921,190
Sep-04	1,984,926	65.0%	1,290,202	119,916	1,170,286
Oct-04	1,988,650	66.4%	1,320,464	119,916	1,200,548
Nov-04	2,320,882	65.1%	1,510,894	770,000	740,894
Dec-04	1,853,842	64.1%	1,188,313	1,001,000	187,313
Total	21,584,869		13,988,799	4,607,170	9,381,629

Table 2: Gas Cost Related Gross Writeoffs

	Total (A)	Gas Cost (B)	Base Rates (C)	Gas Cost Percentage (D)
Jan-04	\$1,339,363	\$862,433	\$476,930	64.4%
Feb-04	\$823,582	\$512,525	\$311,057	62.2%
Mar-04	\$912,984	\$566,483	\$346,501	62.0%
Apr-04	\$996,581	\$612,177	\$384,404	61.4%
May-04	\$1,488,319	\$947,851	\$540,468	63.7%
Jun-04	\$2,348,360	\$1,535,515	\$812,845	65.4%
Jul-04	\$3,019,865	\$1,992,228	\$1,027,637	66.0%
Aug-04	\$3,231,192	\$2,117,171	\$1,114,021	65.5%
Sep-04	\$2,373,095	\$1,542,968	\$830,127	65.0%
Oct-04	\$2,518,411	\$1,671,411	\$847,000	66.4%
Nov-04	\$2,929,992	\$1,905,974	\$1,024,018	65.1%
Dec-04	\$2,735,901	\$1,753,760	\$982,141	64.1%
Grand Total	\$24,717,645			

- (a) Explain the difference between the figures shown in Table 1, Column A and Table 2, Column A.
- (b) Explain the reason for the substantial variation in the monthly write-off figures shown in Table 1, Column A.

- DTE 2-2 Please explain why the Company amortized the difference between the targeted amount of (\$5.157 million) and the amount recorded from November 2003 to February 2004 period (\$4.198 million) over the eight-month period March 2004 through October 2004, but not for the other months November 2003 to February 2004.
- DTE 2-3 Please rerun Table 1 for the period November 2003 through October 2005, determining the values in Column D by allocating the annual amount (\$5,157,280 for the November 2003 through October 2004 year and \$5,648,000 for the November 2004 through October 2005 year) on a volumetric basis to each month. Provide all supporting workpapers and calculations, including the monthly volumes on which the bad debt was allocated to each month.
- DTE 2-4 In Boston Gas Company, D.T.E. 03-40 at 267 (2003) the Department directed the Company to allocate a portion of the bad debt expense approved in this case for collection through the GAF based on the ratio of the actual level of customer account write-offs tracked for gas supply during the previous year to the total level of writeoffs during the same time period. When did the CRIS start tracking actual monthly writeoffs by gas cost and base rates? Please provide this data from the start date through October 2005.
- DTE 2-5 Please provide all supporting workpapers and calculations used to determine that bad debt writeoffs related to gas costs increased to 60.6 percent for the period November 2004 through October 2005.